

Genesee County, Michigan

**Federal Awards
Supplemental Information**

September 30, 2005

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Independent Auditor's Report

To the Members of the Board
Genesee County, Michigan

We have audited the basic financial statements of Genesee County, Michigan for the year ended September 30, 2005, and have issued our report thereon dated March 10, 2006. Those basic financial statements are the responsibility of the management of Genesee County, Michigan. Our responsibility was to express an opinion on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Genesee County, Michigan as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PLANTE & MORAN, PLLC

March 10, 2006

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

To the Members of the Board
Genesee County, Michigan

We have audited the financial statements of Genesee County, Michigan as of and for the year ended September 30, 2005, and have issued our report thereon dated March 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Genesee County, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Genesee County, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, the County Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PLANTE & MORAN, PLLC

March 10, 2006

Report on Compliance with Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in
Accordance with OMB Circular A-133

To the Members of the Board
Genesee County, Michigan

Compliance

We have audited the compliance of Genesee County, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2005. The major programs of Genesee County, Michigan are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the Genesee County, Michigan's management. Our responsibility is to express an opinion on Genesee County, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Genesee County, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Genesee County, Michigan's compliance with those requirements.

In our opinion, Genesee County, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005.

Internal Control over Compliance

The management of the Genesee County, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Genesee County, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, the County Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PLANTE & MORAN, PLLC

March 10, 2006

Genesee County, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2005

Federal Grantor Program Title	Pass- through Project Number	Federal CFDA Number	Disbursements/ Expenditures (Adjustments)
<u>U.S. Department of Agriculture:</u>			
Direct Program:			
Headstart - School lunch program		10.558	\$ 184,692
Headstart - School lunch program		10.558	3,844
Headstart - School lunch program		10.558	8,173
Passed-through the Michigan Department of Agriculture:			
National School Lunch Program		10.555	84,991
Passed-through the Michigan Department of Community Health:			
Special Supplemental Food Program for Women, Infants and Children		10.557	1,342,062
Passed-through the Michigan Department of Education:			
Child and Adult Care Food Program		10.558	15,626
Child and Adult Care Food Program		10.558	25,134
Summer Food Service Program for Children	4266113300	10.559	206,828
Commodity Supplemental Food Program (Admin)	25-CSF-1010	10.565	245,740
Commodity Supplemental Food Program (Commodity)	25-CSF-1010	10.565	892,451
Temporary Emergency Food Assistance Program (Admin)	25000-1010-C	10.568	201,268
Temporary Emergency Food Assistance Program (Commodity)	25000-1010-C	10.569	631,724
Passed-through the Michigan Department of Labor and Economic Growth:			
State Administrative Matching Grants for Food Stamp Program	AY-05	10.561	2,287
State Administrative Matching Grants for Food Stamp Program	AY-05	10.561	228,901
Passed-through Valley Area Agency of Aging:			
Food Donation		10.550	239,026
Total U.S. Department of Agriculture			<u>\$ 4,312,747</u>
<u>U.S. Department of Commerce:</u>			
Direct Program:			
Economic Development Administration Revolving Loan Program		11.307	\$ -
Total U.S. Department of Commerce			<u>\$ -</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Direct Programs:			
Community Development Block Grant Program	B-02-UC-26-0001	14.218 *	\$ 212,455
Community Development Block Grant Program	B-03-UC-26-0001	14.218 *	1,550,661
Community Development Block Grant Program	B-04-UC-26-0001	14.218 *	794,757
Community Development Block Grant Program	B-05-UC-26-0001	14.218 *	177,963
Emergency Shelter Grants Program	S-02-UC-26-0001	14.231	3,846
Emergency Shelter Grants Program	S-03-UC-26-0001	14.231	5,415
Emergency Shelter Grants Program	S-04-UC-26-0001	14.231	50,761
Emergency Shelter Grants Program	S-05-UC-26-0001	14.231	24,182
Supportive Housing Program	MI28B105004	14.235	109,070
Shelter Plus Care Program	MI28C105006	14.238	190,497

*Denotes major program

Genesee County, Michigan
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended September 30, 2005

Federal Grantor Program Title	Pass- through Project Number	Federal CFDA Number	Disbursements/ Expenditures (Adjustments)
<u>U.S. Department of Housing and Urban Development: - (continued)</u>			
Direct Programs: - (continued)			
HOME Program	M-98-UC-26-0205	14.239 *	41,849
HOME Program	M-99-UC-26-0205	14.239 *	60,666
HOME Program	M-00-UC-26-0205	14.239 *	38,028
HOME Program	M-01-UC-26-0205	14.239 *	1,051,861
HOME Program	M-02-UC-26-0205	14.239 *	508,722
HOME Program	M-03-UC-26-0205	14.239 *	25,000
Passed through the Michigan Department of Community Health:			
Housing Opportunities for Persons with AIDS		14.241	162,849
Lead Based Paint Hazard Control		14.900	90,000
Emergency Shelter Grants Program		14.231	39,498
Emergency Shelter Grants Program		14.231	3,077
HOME Program		14.239 *	32,488
Passed through Metro Housing Partnership:			
Supportive Housing Program (Genesee County Comm. Mental Health)		14.235	369,120
Supportive Housing Program	MI28B305002R	14.235	112,390
Supportive Housing Program	MI28B305004R	14.235	23,895
Total U.S. Department of Housing and Urban Development			<u>\$ 5,679,050</u>
<u>U.S. Department of Justice:</u>			
Direct Programs:			
National Institute of Justice Research, Evaluation and Development	2002-GP-CX-0047	16.560	\$ 149,965
Local Law Enforcement Block Grants Program	2003-LB-BX-2177	16.592	97,159
Community Prosecution and Safe Neighborhoods	2003-PP-CX-0009	16.609	150,000
Passed-through the Michigan Department of Community Health:			
Crime Victim Assistance	20545-6V01	16.575	46,155
Passed-through the Michigan Department of Community Health:			
Byrne Formula Grant Program	9XDBVX0026	16.579	123,801
Byrne Formula Grant Program	2036-1K02/SCAO-2203	16.579	18,806
Passed-through the Michigan Department of Family Independence Agency:			
Juvenile Accountability Incentive Block Grant	JAIBG-04-25001	16.523	104,479
Juvenile Accountability Incentive Block Grant	JAIBG-05-25001	16.523	74,097
Passed-through the Michigan Supreme Court:			
Byrne Formula Grant Program		16.579	24,362
Total U.S. Department of Justice			<u>\$ 788,824</u>

*Denotes major program

See notes to Schedule of Expenditures of Federal Awards.

Genesee County, Michigan
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended September 30, 2005

Federal Grantor Program Title	Pass- through Project Number	Federal CFDA Number	Disbursements/ Expenditures (Adjustments)
<u>U.S. Department of Labor:</u>			
Passed-through the Michigan Department of Labor and Economic Growth:			
Employment Service	AY-04	17.207	\$ 780,579
Employment Service	AY-05	17.207	184,908
Employment Service	AY-05	17.207	7,335
Trade Adjustment Assistance	AY-05	17.245	494,251
WIA Adult Program	AY-04	17.258	1,779,133
WIA Adult Program	AY-06	17.258	250
WIA Adult Program	AY-04	17.258	480
WIA Adult Program	AY-05	17.258	56,788
WIA Adult Program	AY-05	17.258	557,384
WIA Adult Program	AY-05	17.258	65,809
WIA Adult Program	AY-04	17.258	59,978
WIA Adult Program	AY-05	17.258	23,834
WIA Adult Program	AY-05	17.258	15,162
WIA Youth Activities	AY-04	17.259	1,573,107
WIA Youth Activities	AY-05	17.259	64,527
WIA Youth Activities	AY-05	17.259	868,581
WIA Youth Activities	AY-04	17.259	67,504
WIA Dislocated Workers	AY-05	17.260	124,256
WIA Dislocated Workers	AY-04	17.260	1,540,215
WIA Dislocated Workers	AY-05	17.260	57,423
WIA Dislocated Workers	AY-05	17.260	396,799
WIA Dislocated Workers	AY-04	17.260	66,130
Reed Act- Workfirst	AY-05	17.unknown	6,302,521
Reed Act- Workfirst	AY-04	17.unknown	1,632,599
Reed Act- SCO	AY-05	17.unknown	186,297
Total U.S. Department of Labor			<u>\$ 16,905,850</u>
<u>U.S. Department of Transportation:</u>			
Passed-through the Genesee County Road Commission:			
Highway Planning and Construction		20.205 *	\$ 1,736,935
Passed-through the Michigan Department of Transportation:			
Highway Planning and Construction	50151	20.205 *	36,511
Highway Planning and Construction	546590	20.205 *	366,740
Federal Transit Metropolitan Planning Grants	80847	20.505	137,448
Total U.S. Department of Transportation			<u>\$ 2,277,634</u>
<u>Environmental Protection Agency:</u>			
Direct Programs:			
Brownfield Assessment and Cleanup Cooperative Agreements	BF-96569101-0	66.818	\$ 51,353
Brownfield Assessment and Cleanup Cooperative Agreements	BF-96565501-0	66.818	23,325
Passed-through the Michigan Department of Environmental Quality:			
Nonpoint Source Implementation Grant	2002-0003	66.460	43,279
Total Environmental Protection Agency			<u>\$ 117,957</u>

*Denotes major program

Genesee County, Michigan
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended September 30, 2005

Federal Grantor Program Title	Pass- through Project Number	Federal CFDA Number	Disbursements/ Expenditures (Adjustments)
<u>U.S. Department of Energy:</u>			
Passed-through the Michigan Family Independence Agency:			
Weatherization Assistance Program	DOE-03-25012	81.042	\$ 334,453
Weatherization Assistance Program	DOE-04-25012	81.042	245,162
Total U.S. Department of Energy			<u>\$ 579,615</u>
<u>U.S. Department of Education:</u>			
Passed-through the Genesee County Intermediate School District:			
Safe and Drug-Free Schools and Communities		84.184	\$ 70,000
Total U.S. Department of Education			<u>\$ 70,000</u>
<u>U.S. Department of Health and Human Services:</u>			
Direct programs:			
Head Start (1)		93.600 *	\$ 11,817,986
Head Start (1)		93.600 *	2,244,842
Head Start (1)		93.600 *	151,747
Head Start (1)		93.600 *	8,004
Head Start (1)		93.600 *	266,606
Head Start (1)		93.600 *	1,233,124
Early Head Start		93.600 *	31,428
REACH		93.945	898,084
Healthy Start		93.926	687,582
Passed-through the Michigan Departments of Community Health, Mental Health, and Family Independence Agency:			
Project Grants and Cooperative Agreements for TB Control		93.116	23,323
Projects for Transition from Homelessness		93.150	74,000
Immunization Program		93.268	15,085
Immunization Registry		93.268	
Infant Immunization		93.268	204,548
Centers for Disease Control and Prevention		93.283	324,232
Centers for Disease Control and Prevention		93.283	90,000
Strong Families - Wraparound		93.556	75,329
Temporary Assistance to Needy Families	TANF-05-25012	93.558	124,296
Temporary Assistance to Needy Families	TANF-E-05-25012	93.558	21,488
Temporary Assistance to Needy Families	DEL-00-25001-3	93.558	183,418
Child Support Enforcement (2)	CS/FOC-04-25001	93.563 *	103,789
Child Support Enforcement (2)	CS/MED-03-25001	93.563 *	83,873
Child Support Enforcement (2)	CS/FOC-04-25001	93.563 *	2,609,167
Child Support Enforcement (2)	CS/PA-04-25002	93.563 *	1,049,949

*Denotes major program

Genesee County, Michigan
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended September 30, 2005

Federal Grantor Program Title	Pass- through Project Number	Federal CFDA Number	Disbursements/ Expenditures (Adjustments)
<u>U.S. Department of Health and Human Services: - (continued)</u>			
Passed-through the Michigan Departments of Community Health, Mental Health, and Family Independence Agency: - (continued)			
Low Income Home Energy Assistance	LIHEAP-04-25012	93.568	381,650
Low Income Home Energy Assistance	LIHEAP-03-25012	93.568	97,483
Low Income Home Energy Assistance	LCA-05-25012	93.568	18,653
Community Service Block Grants	CSBG-04-25012	93.569	978,052
Community Service Block Grants	CSBG-E-05-25012	93.569	12,500
Community Service Block Grants	CSBG-D-05-25001	93.569	43,302
Foster Care - Title IV-E	PROFC-00-25001	93.658	37,807
Medical Assistance Program- Genesee County Comm. Mental Health		93.778	578,360
Medical Assistance Program- Genesee County Health Dept.		93.778	62,428
Medical Assistance Program- Genesee County Health Dept.		93.778	7,500
Medical Assistance Program- Genesee County Health Dept.		93.778	1,120,233
Block Grants for Community Mental Health Services		93.958	216,676
Block Grants for Prevention and Treatment of Substance Abuse		93.959 *	2,817,893
Preventive Health and Health Services Block Grant (STD)		93.991	83,919
Preventive Health and Health Services Block Grant (STD)		93.991	45,610
Maternal and Child Health Services Block Grant		93.994	196,834
Maternal and Child Health Services Block Grant		93.994	137,000
Maternal and Child Health Services Block Grant		93.994	103,185
Passed-through the Valley Area Agency of Aging: Special Programs for the Aging - Title III-C	GCCARD/SF-03	93.635	561,973
Total U.S. Department of Health and Human Services			<u>\$ 29,822,958</u>
<u>U.S. Department of Homeland Security:</u>			
Passed-through the Michigan Department of State Police:			
State Domestic Preparedness Equipment Support Program		97.004 * \$	7,057
State Domestic Preparedness Equipment Support Program		97.004 *	21,518
State Domestic Preparedness Equipment Support Program		97.004 *	4,609
State Domestic Preparedness Equipment Support Program		97.004 *	941
State Homeland Security Grant Program		97.004 *	32,215
State Homeland Security Grant Program		97.004 *	34,893
State Homeland Security Grant Program		97.004 *	1,156,833
State Homeland Security Grant Program		97.004 *	502,583
State Homeland Security Grant Program		97.004 *	391,094
State Homeland Security Grant Program		97.067	3,147
State Homeland Security Grant Program		16.592	32,000
Homeland Security grant-- Genesee County Road Commission		97.067	22,900
Passed-through the United Way: Emergency Food and Shelter National Board Program		97.024	42,025
Total U.S. Department of Homeland Security			<u>2,251,815</u>
Total Federal Financial Assistance (3)			<u>\$ 62,806,450</u>

*Denotes major program

See notes to Schedule of Expenditures of Federal Awards.

Genesee County, Michigan
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2005

1. Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Genesee County, Michigan and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. "Expenditures" include all accrual basis federal expenditures that result in the receipt of federal monies associated with the project.

3. Subrecipient awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients of the following programs:

	<u>Amount</u>
Community Development Block Grant –	
Entitlement Grants	\$ 2,092,537
Workforce Investment Act	16,794,476
Headstart	14,825,496

4. At December 31, 2005, the County Economic Development Corporation has a business loan portfolio of \$662,522, net of estimated reserve and cash and investment holdings of \$679,656. All current year expenditures were funded via program income.

Genesee County, Michigan
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2005

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unqualified</u>	
Going concern explanatory paragraph included	_____ Yes	_____ <u>X</u> No
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

Federal Awards

Internal control over major program(s):		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ Yes	_____ <u>X</u> No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant – Entitlement Grants
14.239	HOME Investment Partnership Program
20.205	Highway, Research, Planning, and Construction
93.563	Friend of the Court
93.600	Headstart
93.959	Block Grants for Substance Abuse
97.004	State Homeland Security Grant

(continued)

Genesee County, Michigan
Schedule of Findings and Questioned Costs – (continued)
For the Year Ended September 30, 2005

Section I - Summary of Auditor's Results – (continued)

Dollar threshold used to distinguish
between Type A and Type B programs \$1,884,194

Auditee qualified as low-risk auditee X Yes No

Section II – Financial Statement Auditing Findings

Findings relating to the financial statements reported in accordance with *Governmental Auditing Standards*:

None

Section III – Federal Program Audit Findings

Findings and questioned costs relating to federal awards:

None

**Genesee County, Michigan
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2005**

There were no prior year audit findings.